

## PART 1951 - SERVICING AND COLLECTIONS

## Subpart B - Collections

## TABLE OF CONTENTS

<u>Sec.</u>		<u>Page</u>
1951.51	General.	1
1951.52	Definitions.	1
	(a) Borrowers.	1
	(b) FmHA field offices.	1
	(c) FmHA field office supervisors.	1
	(d) State Office coordinators.	1
	(e) Financial institutions.	1
	(f) Treasury Limited Account (TLA).	1
	(g) Memorandum of Understanding (MOU).	2
	(h) National Data Corporation (NDC).	2
	(i) Daily Activity Report (DAR).	2
	(j) Credit memos.	2
	(k) Debit vouchers.	2
	(l) Concentrator Bank.	2
	(m) Automated Clearing House.	2
1951.53	Files to be maintained.	2
	(a) Establishing files.	2
	(b) Filing positions for operational file 1951, Collections (4 position folder).	4
	(c) County Office requirements.	4
	(d) District Office requirements.	4
1951.54	Authority.	4
1951.55	Receiving and processing collections.	5
	(a) Recording payments.	5
	(b) Endorsement.	5
	(c) Determining when deposits are required.	6
	(d) Establishing the deadline for deposits at the FI.	6
	(e) Preparing collections for deposits.	6
	(f) Depositing funds in the FI.	7
	(g) Receipt of payments after a deposit to the FI.	8
	(h) Reporting deposit data to NDC.	8
	(i) Sending accounting data to the FmHA Finance Office.	10
	(j) Responsibility for funds.	13
	(k) Reporting losses of collections.	16

RD Instruction 1951-B  
Table of Contents (Con.)  
Page 2

<u>Sec.</u>		<u>Page</u>
1951.56	Forms.	16
	(a) Form RD 451-1.	16
	(b) Form RD 451-2.	16
	(c) Form RD 1944-9.	16
	(d) Form RD 1951-49.	16
	(e) Form RD 1951-48.	16
	(f) Form RD 1951-46.	16
	(g) Form RD 1940-10.	16
	(h) Form RD 1944-53.	16
	(i) Form RD 370-46.	17
	(j) Form RD 370-46A.	17
	(k) Form RD 1951-55.	17
1951.57	Special endorsements.	17
	(a) Payees.	17
	(b) Restrictive endorsements and notations on collection items.	17
	(c) Restrictive notations on compromise or adjustment items.	18
	(d) Holder or borrower endorsement.	18
	(e) Endorsement by FmHA (all proceeds to be remitted).	19
	(f) Endorsement by FmHA (joint checks--part proceeds to be remitted or no proceeds to be remitted).	19
	(g) Endorsement by the State Director.	21
	(h) Endorsement on joint checks.	21
	(i) Cost of cashier's checks.	23
	(j) Uncollectible joint checks.	23
1951.58	Preparation and distribution of Forms FmHA 451-1, FmHA 451-2, FmHA 1944-9, and FmHA 1951-55.	23
	(a) General.	23
	(b) Form RD 451-1.	23
	(c) Form RD 451-2.	24
	(d) Form RD 1944-9.	25
	(e) Form RD 1951-55.	25
	(f) Collections received in the State Office.	25
	(g) Schedules prepared in connection with liquidations.	25
	(h) Schedules prepared in connection with debt settlement offers.	25
	(i) Loan checks returned for cancellation.	26

<u>Sec.</u>		<u>Page</u>
	(j) Schedules of remittance for rental payments on acquired farms.	26
	(k) Partial or entire return of unused grant funds.	26
	(l) Payments received on closed accounts.	27
	(m) Guaranteed loans.	27
1951.59	Refunding collection items.	27
	(a) Check endorsement.	27
	(b) Refunding.	28
1951.60	Transmittal and deposit of collections for offices not using CBS.	29
	(a) Participation in the wholesale lockbox system.	29
	(b) Converting cash collections.	29
	(c) Balancing of collection package.	29
	(d) Assembly of the collection package.	30
	(e) Mailing the collection package.	30
	(f) Uncollectible items.	31
1951.61	Accounting for collection forms.	31
1951.62	Processing uncollectible items for CBS.	31
1951.63	Refunding payments received under Agricultural Conservation Program Service (ACP) offset.	32
	(a) When FmHA is entitled to only part of the offset check.	32
	(b) When FmHA is entitled to none of the offset check.	32
	(c) When an offset check is received in a county office and the county supervisor determines that it is not applicable.	33
1951.64	Forms FmHA 451-2 or FmHA 1944-9 errors.	33
1951.65	AMAS on-line payment errors.	33

<u>Sec.</u>	<u>Page</u>
1951.66 - 1951.100 [Reserved]	33
Exhibit A - Postal Money Orders	
Exhibit B - Collection Officers	
Exhibit C - National Data Corporation Script for "Cancelling" or "Changing" an Information Report	
Exhibit D - National Data Corporation Call Report for USDA Farmers Home Administration	

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## PART 1951 - SERVICING AND COLLECTIONS

## Subpart B - Collections

§1951.51 General.

This Subpart prescribes the policies and procedures of the Farmers Home Administration (FmHA) for collection of loan payments and depositing payments through the Concentration Banking System (CBS). Under CBS, FmHA field offices select a local financial institution to maintain a Treasury Limited Account (TLA) for depositing FmHA loan collections. Deposits to these accounts are withdrawn daily by the concentrator bank for transfer to the Treasury. Under these procedures, the local FmHA office will deposit the daily office collections in a participating local financial institution and report the amount deposited to a data service facility that is under contract to the concentrator bank. The data service facility will inform the concentrator bank of the amount available in each local financial institution and the concentrator bank will use this information to transfer the funds to the concentrator bank and then to the Treasury.

§1951.52 Definitions.

- (a) Borrowers as referred to in this subpart, include loan, loan guarantee, and grant recipients.
- (b) FmHA field offices are FmHA County or District Offices, and in some cases, State Offices.
- (c) FmHA field office supervisors are FmHA County Supervisors, District Directors, or other FmHA employees authorized to act for them.
- (d) State Office coordinators are individuals appointed by the State Director to ensure that CBS is operated smoothly.
- (e) Financial institutions (FI) include banks, savings and loan associations, and credit unions that are insured by the Federal Deposit Insurance Corporation (FDIC), Federal Savings and Loan Insurance Corporation (FSLIC), or National Credit Union Administration (NCUA), with special consideration given to the use of minority banks, whenever possible.
- (f) Treasury Limited Account (TLA) is an account established in a financial institution through a Memorandum of Understanding between Treasury and a local financial institution to speed the movement of FmHA collections. Only one such account may be maintained by an FmHA field office.

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Servicing and Collections

RD Instruction 1951-B  
§1951.52 (Con.)

(g) Memorandum of Understanding (MOU) is an agreement signed by a FI and Treasury whereby the FI agrees to perform collection services for FmHA according to Treasury requirements.

(h) National Data Corporation (NDC). The data service facility referred to in §1951.51 of this subpart. A call will be made to NDC each day the FmHA field office is open for business to report activity, or to report no activity if a deposit is not made.

(i) Daily Activity Report (DAR). A report prepared each day by local FmHA offices that records the collections received and deposited in the financial institution.

(j) Credit Memos result in an error in FmHA's favor and result in an increase in the net activity reported in the DAR and to NDC.

(k) Debit vouchers are uncollectible items (nonsufficient fund checks, stop payment checks) or errors not in FmHA's favor. A debit voucher results in a decrease in the net activity reported on the DAR and to NDC.

(l) Concentrator Bank is responsible for collecting funds from local banks and reimbursing those banks for services.

(m) Automated Clearing House (ACH) is the electronic network through which deposits are transferred from local banks to Concentrator Bank.

§1951.53 Files to be maintained.

(a) Establishing files. Each FmHA field office will establish the following files:

(1) 1951-Selection of FI, FY 19\_\_\_. This file will contain all materials from training meetings, copies of correspondence to and from FIs in the area, and other material of a general nature. Retention Period: Destroy 3 FY's after the end of the FY created.

(2) 1951-FI Contracts (Name of Bank), FY 19\_\_\_. This file will contain the executed copies of the Form TFS 1221 MOU, prenote change information, copies of bids from the FIs, and all other material and correspondence pertaining to the FI selected. Retention Period: Destroy 5 FY's after the end of the FY in which contract(s) expires.

(3) 1951-Collections, (Month), 19\_\_\_\_: Retention Period: Destroy five FYs after the end of FY.

## §1951.53 (a)(3) (Con.)

(i) General. This file will contain copies of Forms FmHA 1951-48, "Concentration Banking Daily Activity Report", FmHA 1951-46, "Concentration Banking Uncollectible Item, debit and/or credit vouchers," confirmed deposit slips, two adding machine tapes (one of cash and collection items, i.e., cash, checks, money orders, etc., and one tape of collection forms and payment coupons), copies of third party checks (if any), and any other material necessary to reconstruct any day's collection activities. CBS bank statements will be reconciled within 10 working days of receipt and placed in this file.

(ii) County Offices. In addition to the items listed in Paragraph (a) (3) (i) of this section, County Office files will also contain Forms FmHA 451-2, "Schedule of Remittance," FmHA 1951-49, "Register of Collections," FmHA 1940-10, and "Cancellation U.S. Treasury Checks and/or Obligation." For Labor Housing loans to individuals on farms that are supervised by the County Office, the file will also contain Forms FmHA 1944-53, "Multiple Family Housing Cancellation of U.S. Treasury Checks and/or Obligation," and FmHA 1944-9, "Multiple Family Housing Certification and Payment Transmittal," for Miscellaneous Collections and regular payments.

(iii) District Offices. In addition to the items listed in Paragraph (a)(3)(i) of this section, District Office files will contain Forms FmHA 1951-55, "Collection Log," in lieu of Form RD 1951-49, FmHA 1944-9 for Miscellaneous Collections, FmHA 451-2, Form RD 1940-10, FmHA 1944-53, and a copy of the Automated Multi-Housing Accounting System (AMAS) Batch Entry System Menu for the Call Date shown on Form RD 1951-55. Copies of the M2A, "Project Payment" screens may also be filed with the daily activity until it is verified that the block has balanced, then they may be destroyed or distributed as the District Office deems suitable.

RD Instruction 1951-B  
§1951.53 (Con.)

(b) Filing position for operational file 1951, Collections, (4 position folder).

(1) Position 1: Forms FmHA 1951-49 or FmHA 1951-55 for the month. (These forms may be kept in a 3-ring binder until the bank statement is received and reconciled.)

(2) Position 2: Reconciled TLA bank statement with all enclosures attached. Any discrepancies found should be resolved immediately. Actions taken to correct must be documented in the Running Record in Position 4.

(3) Position 3: Each day's activity as a daily unit with Form FmHA 1951-48 and confirmed deposit slip on top. Include Form(s) FmHA 451-2, copies of third party checks (if any), debit vouchers, credit memos, uncollectible check form(s), copies of two adding machine tapes, Form(s) FmHA 1940-10, FmHA 1944-53 (District Office (DO) only), FmHA 1944-9, AMAS (DO only), and any other information sent to the Finance Office that day.

(4) Position 4: Documentation of problems, such as calls or correspondence to Finance Office, State Office, bank, etc., concerning CBS, including attachments.

(c) County Office requirements. County Offices are required to use a 4 position folder as described in paragraph (b) of this section. A FILE WILL BE SET UP FOR EACH MONTH'S COLLECTIONS.

(d) District Office requirements. District Offices have the option of using a 4 position folder of filing all the material in a three-ring binder labeled "1951 Collections." When using a three-ring binder all the material will be filed behind Form RD 1951-55 as a complete unit. After the CBS bank statements are reconciled, the material may be removed to a 4 position folder for storage in the Operational files or a new three-ring binder may be started for current activity when the existing binder is full. All binders with historic material will be retained in the same location.

§1951.54 Authority.

The provisions of this subpart are applicable to FmHA employees who are authorized to receive collections. Employees listed in Exhibit B of this subpart (available in any FmHA office) are hereby authorized to receive, receipt for, exchange for money orders or bank drafts, and transmit collections or deposit collections in a TLA.



§1951.55 Receiving and processing collections.

FmHA offices receive borrower payments either through the mail or in person in the form of checks, money orders, and cash. Payments are recorded on the appropriate accounting forms which are Form RD 451-2, Form RD 1944-9, or a payment coupon. Form RD 451-2, Form RD 1944-9 and payment coupons are used to transmit accounting information to the Finance Office by mail. Payment information, which the District Office needs in order to transmit MFH payment information through field office terminals, is recorded on Form RD 1951-55. In addition, the FmHA County Office records payments on either a management system card or a servicing card. District Office personnel also record payments on a Tracking Log as prescribed in Exhibit A of Subpart K of Part 1951 of this chapter. (Revised 08-30-93, SPECIAL PN.)

(a) Recording payments. The FmHA field office will record each payment on Form RD 1951-49 on Form 1951-55 that includes information such as date payment deposited in the FI, amount of check, name of depositor, and date of credit. This will enable local FmHA offices to reconstruct the transactions involved in each day's deposit to the FI if there is a discrepancy or the documents are lost in transit to the Finance Office. Case numbers must be included on the Register of Collections in the event the day's collections should need to be reconstructed. Each local office must be able to reconstruct the contents of each envelope sent to the Finance Office.

(b) Endorsement. After the local FmHA office records the collection of these funds on the appropriate accounting forms, all checks/money orders will be endorsed for deposit as specified below:

ALC: 12-20-0408  
Pay to any FRB or Limited  
Depository for Credit to the  
U.S. Treasury  
Farmers Home Administration

The endorsement must be placed on the back of the check/money order so that the endorsement is wholly contained in the area from the trailing edge of the check to 1.5" from the trailing edge of the check/money order. The trailing edge is defined as the left side of the check/money order looking at it from the front.

(c) Determining when deposits are required.

(1) All borrower loan payments, including cash, will be deposited in the FI each day, unless collections total less than \$1,000. In this case, the local FmHA office may keep the funds in the office, however, the funds must be kept in a locked fireproof safe, or in a locked cabinet, or a locked drawer during the day and in the locked fireproof safe at night, until a total of \$1,000 is reached. Funds must be deposited within 3 days, even if the total amount deposited is less than \$1,000. The local FmHA office may elect to make a deposit on any day that cash receipts exceed \$100. However, deposits will be made by Friday of each week, regardless of the amount accumulated.

(2) If collections equal or exceed \$1,000, the local FmHA office will deposit these funds in the local FI before the established cutoff time of the FI.

(d) Establishing the deadline for deposits at the FI.

The cutoff time for same-day credit at the FI is the controlling time - not the FI's closing time, which may be later. To meet the FI's cutoff time, each local FmHA office will establish a deadline for preparing payments for deposit.

(e) Preparing collections for deposits.

(1) The FmHA field office will use an adding machine to calculate the sum of the collections listed on the accounting forms to be sent to the Finance Office. This calculation must be done carefully to ensure that the amount deposited at the FI equals the amount reported to the Finance Office. To ensure that the collection items equal the deposit ticket amount, two adding machine tapes will be generated. One will be a tape of the cash and collection items to be deposited and the other will be of the payments listed on Forms FmHA 451-2, FmHA 1944-9, Part B of Form RD 1951-55 and payment cards and payment coupons corresponding to the collection items being deposited. If the total items exceed 50, the tapes will be totaled in subtotals of 50 items. The totals on both tapes must agree. Three copies of the cash and check tape (one for the FI,

§1951.55 (e)(1) (Con.)

one for the Finance Office, and one for the FmHA field office) should be prepared. Only two copies are needed of the tape of collection forms (one for Finance Office and one for the FmHA field office). Two-part pressure-sensitive adding machine tape is available from the Finance Office.

(2) The FmHA field office transcribes the total deposit amount from the adding machine tape onto the triplicate deposit ticket form provided by the FI and provides the date and number of items to be deposited. Since a copy of the adding machine tape will be provided to the FI with the deposit slip, it is not necessary to list individual checks and money order amounts. Do not use Standard Form 215, "Deposit Ticket." This form is used only by the Finance Office. The format of deposit tickets may vary and instructions for preparation should be obtained from the FI.

(f) Depositing funds in the FI.

(1) The funds are deposited into the TLA in the FI. The local FmHA office will submit two copies of the deposit ticket to the FI with the adding machine tape. The FI confirms the deposit and returns one copy of the confirmed deposit ticket to the depositor by the next day. When only a few collection items are being deposited, the FI may wish to provide a confirmed deposit ticket when the deposit is made. In order to provide a confirmed deposit ticket, the FI will verify that the total deposit amount matches the total amount entered on the deposit slip. If the totals match, the depository provides the local FmHA office with a confirmed deposit ticket. If the totals do not match, the local FmHA office and the FI must identify the discrepancy and make the appropriate adjustment on the deposit slip.

(2) When the deposit is made, the FI gives the FmHA field office any debit vouchers or credit memos processed to the TLA. Debit vouchers are for uncollectible items (nonsufficient-funds checks, stop-payment checks, etc.), or bank errors not in FmHA's favor and result in a decrease in the deposited amount. Debit vouchers for uncollectible items must have the uncollectible item attached. Credit memos are for errors in FmHA's favor and result in an increase in the deposited amount.

Credit memos and debit vouchers must be provided by the FI on the business day following the date of deposit in accordance with the MOU.

(g) Receipt of payments after a deposit to the FI.

When the FmHA field office receives payments after making its deposit at the FI, the local FmHA office will place these funds in a locked fireproof safe, or locked filing cabinet, or locked drawer during the day and in the locked fireproof safe at night, to be processed with the next day's payments.

If the FI has a night deposit facility, the local FmHA office may use it. If a night deposit is made, the field office must obtain a confirmed deposit slip the next day. The amount of the night deposit will be included in the next day's report to NDC, together with the regular deposit.

(h) Reporting deposit data to NDC.

(1) After depositing the funds, the FmHA field office prepares Form RD 1951-48 using the information on the deposit slip, debit vouchers, credit memos, and uncollectible items received from the FI. Instructions for completing the report are found in the FMI for that form.

(2) Once the funds have been deposited and Form RD 1951-48 is completed, the FmHA field office dials a toll free number to report its daily activity to NDC before the assigned cutoff time, so that the funds deposited can be withdrawn the next day. If the caller gets a busy signal, the number should be redialed immediately. When NDC identifies itself, the FmHA field office provides information from a standard script (items 1-5 of Part IV on Form RD 1951-48).

(3) The NDC operator calculates the net activity amount and verifies that the amount reported by the caller is equal to the amount calculated. The NDC operator will then read back the information in each of the fields and provide a verification number which must be recorded in item 6 of Part IV on Form RD 1951-48.

(4) If the reported net activity amount and the calculated net activity amount disagree, and cannot be reconciled during the telephone call, the caller will request that the call be deleted. The caller must check the deposit information for mistakes and

§1951.55 (h)(4) (Con.)

call NDC with the correct information. Local FmHA offices may also call NDC to correct information in a previous call or to delete a previous call. When this is done, the operator will advise the caller that a call is on file. The caller must state whether they wish to change information reported previously or whether they wish the prior call deleted. The caller will complete Exhibit C of this subpart (available in any FmHA office) for making changes or cancelling a prior call. This ensures that one call is recorded by NDC each day from each local FmHA office and that only one amount is transferred from the FI's account.

(5) When debit vouchers and returned items (uncollectibles) are received from the FI and the amounts subtracted from the deposit amount for the day, the net activity amount may be negative, which means the debits exceeded the credits for the day. If a negative net activity amount is called into NDC, the result is an ACH credit to the FI to restore the account to zero.

(6) If there is no deposit activity to report (no deposits, debit vouchers, or credit memos), the FmHA County and District Offices will still prepare Form RD 1951-48 and call NDC to report that there was no activity. In this instance, the local FmHA office reports zeros to NDC and writes zeros in the appropriate blocks for the credit fields on Form RD 1951-48. Form RD 1951-48 will not be sent to the Finance Office if there is no activity. (State offices are not required to report "no activity" to NDC.)

(7) The FmHA field office will record any problems that are encountered while reporting to NDC on Exhibit D of this subpart (available in any FmHA office). The record can be used to identify problems that may need to be corrected. The Finance Office must be notified immediately if a problem occurs which could result in a failure to transfer funds already deposited in the FI. The local FmHA office will contact the State Office Coordinator regarding recurring problems. The State Office Coordinator will bring these problems to the attention of the Cash Management Staff.

RD Instruction 1951-B  
§1951.55 (Con.)

(i) Sending accounting data to the FmHA Finance Office.

(1) In the absence of a confirmed deposit ticket, it is acceptable to photocopy the remaining deposit slip for the office records until it is replaced the next day by the confirmed deposit slip. All source documents associated with each day's deposit must be included in the CBS envelope mailed to the Finance Office. The following forms applicable to the information on the DAR must also be included in the CBS envelope:

<u>Form</u>	<u>Title</u>	<u>Purpose.</u>
FmHA 1951-48	Concentration Banking Daily Activity Report	The DAR shall document all deposits, adjustments, and reporting to the data service facility.
N/A	Deposit Ticket	The Deposit Ticket must match "Report 01" on the DAR. Staple the Deposit Ticket to the DAR to be forwarded.
N/A	Adding Machine Tape	Forward two adding machine tapes: 1. One tape of total cash and collection item (checks, money orders, etc.). 2. One tape of each payment made on coupons, Forms FmHA 451-2's, FmHA 1944-9's, FmHA 1955-55, Part B (Cash payments only). and amounts on each Form RD 1940-10, FmHA 1944-53, and FmHA 1980-19, "Guaranteed Loan Fees." Note: THESE TWO TAPES MUST BALANCE.
FmHA 370-46	ORC Direct Payment Coupons (DP)	Payment Coupons
FmHA 370-46-A	OCD Expanded Direct Payment Coupons (EDPC)	Payment Coupons

RD Instruction 1951-B  
§1951.55 (i)(1) (Con.)

FmHA 1940-10	Cancellation of U.S. Treasury Check and/or Obligation	Refer to §1951.56 of this subpart to determine when Form RD 1940-10 should be included in the CB payment packet.
FmHA 1944-53	Multiple Family Housing Cancellation of U.S. Treasury Check and/or Obligation	Refer to §1951.56 of this subpart to determine when Form RD 1944-53 should be included in the CB payment packet.
N/A	Credit Memo	Include all credit memos which support deposit adjustments.
N/A	Debit Voucher	Include all debit vouchers which support deposit adjustments and/or returned items.
FmHA 1951-46	Concentration Banking Uncollectible Item	Include all forms which document uncollectible items, including a copy of the original "Batch Entry System Menu" for the call date corresponding to the returned CBS item. Staple the supporting debit voucher to each individual form.
FmHA 451-2	Schedule of Remittance	Include all Forms FmHA 451-2. (This will include weatherization collections and guaranteed loan payments. When sending guaranteed loan fees, also include Form FmHA 1980-19 "Guaranteed Loan

RD Instruction 1951-B  
§1951.55 (i)(1) (Con.)

		Closing Report." For weatherization loan payments, write "weatherization" boldly across the body of the schedule.)
FmHA 1944-9	Multiple Family Housing Certification and Payment	Include all Forms FmHA 1944-9, (only for Transmittal Miscellaneous Collections and LH or site loan regular collections in a County Office.)
N/A	AMAS Batch Entry System Menu	Include a copy of the AMAS Batch Entry System Menu for the call date to Form FmHA 1951-48.

(2) These documents noted in paragraph (i) (1) of this section shall be clipped, not stapled, to Form RD 1951-48 "Concentration Banking Daily Activity Report". Place all documents in a 9 x 12 white envelope with green diamonds on the side and stamp the following on the outside of the envelope in the lower left corner:



§1951.55(i)(2) (Con.)

CB - Location Code (numeric State/District and County Code)  
Out- Of-Balance (check only if correction was not made).

This information will enable the Finance Office to expedite processing by sorting the envelopes for special handling upon receipt.

At the end of the business day, the person processing the collections in the District Office should verify the detailed transaction input screens against the Batch Entry System Menu to determine if the input block of payments is in balance, making any needed corrections so the block will balance. Hold the envelope until the next business day and verify that the block has balanced, following instructions in Exhibit A to subpart K of this part. If the block has not balanced, make the needed corrections. Contact the AMAS coordinator in the State Office if you need assistance. (The AMAS Coordinator will contact the Finance Office if further assistance is required.) After the correction is made, include the corrected Batch Entry System Menu in the collection envelope and forward the envelope to the Finance Office. DO NOT HOLD THE PAYMENT ENVELOPE MORE THAN ONE WORKDAY. If the block has not balanced after the second effort, continue to make corrections until the block balances. However, do not send the Finance Office another Batch Entry System Menu.

(3) Payments received after the funds have been deposited at the FI should not be included on that day's Form RD 1951-48. Those payments are recorded on the following day's Form RD 1951-48 and included on the accounting documents mailed to the Finance Office with the following day's activity.

(j) Responsibility for funds.

(1) Employees are personally accountable for losses occurring while funds are in their custody. The Comptroller General or designee is authorized to grant relief only when a loss occurs without fault or negligence on the part of the employee. The following protective measures will be taken:

- (i) All cash, checks, and money orders held by field offices must be kept in a locked fireproof safe, a locked cabinet, or a locked drawer during the day and in the locked fireproof safe at night. Whenever possible, more than one person will know the combination of the lock. (Necessary desk locks and keys may be ordered in accordance with §2024.29 of RD Instruction 2024-A.) (Revised 12-11-96, PN 270.)
- (ii) Use night depository service when practical.
- (iii) Encourage borrowers to make payments with personal checks instead of cash.
- (iv) Require that checks or money orders be endorsed upon receipt.
- (v) Require that all collections be recorded at the time of receipt.
- (vi) Require that collections be reconciled to the accounting records at the end of each day that an employee is available to do so.
- (vii) Require that deposit slips be reconciled to the accounting records at the end of each day.
- (viii) Require daily supervisory review of collection activities on each day that a supervisory employee is available to do so.
- (ix) Require the reconciliation of monthly Treasury Limited Depository Account statements within 10 working days after they are received in the field office.
- (x) Require financial institutions to provide credit memos and debit vouchers on the business day following the date of deposit in accordance with the MOU.
- (xi) Require periodic review of report Code 501, Monthly Cash Application, Forms RD 451-26, "Transaction Record," or AMAS history screens, to confirm that collections are updated to the automated accounting system.

§1951.55(j)(1) (Con.)

(xii) Require spot checks of collection activities by District Directors and State Office staff to detect collection improprieties. (Revised 04-30-96, SPECIAL PN.)

(xiii) Require changing the combination of the fireproof lock cabinet if personnel who had access to the cabinet retire, resign, transfer, or are terminated.

(2) County Supervisors and District Directors or designee will review quarterly the separation of duties among employees relative to the handling of collections from initial receipt of borrower payments to the final disposition of borrower payments and the reconciliation of the monthly TLA statement. Offices with three or more individuals will ensure that at least two individuals are involved in collecting borrower payments--one to control the payments and one to control the data. These duties should be rotated semiannually. For District Office operations separation of duties shall be as follows:

(i) Form RD 1951-55 shall be prepared by one employee. A second employee shall review, initial and date the form. If there is not a second employee available on the Call Date, a post review shall be performed on all unreviewed collections on the first working day a second employee is available. The reviewer shall date and initial each Form RD 1951-55.

(ii) Receiving cash, checks or money orders, preparing the bank deposit, completing Items 1 through 9 of Form RD 1951-55 and contacting NDC shall be rotated between employees semiannually, to the extent possible. However, when the District Loan Technician or District Loan Specialist is the second person responsible for collections, and is not available for this transaction because they are out of the office or other duties interfere, another employee shall process the collections on the date received. A second employee will review and initial Form RD 1951-55 on the Call Date or follow the procedure in paragraph (j)(2)(i) of this section.

RD Instruction 1951-B  
§1951.55(j)(2) (Con.)

(iii) Preparing the balance of Form RD 1951-55, preparing Forms FmHA 451-2 and FmHA 1944-9 for Miscellaneous Collections and inputting the payments through the field office terminal are duties which will not be rotated in the District Office to assure the integrity of cash collections. The integrity of these transactions will be assured by the second party review of each Form RD 1951-55.

(3) The CBS activities of each Agency's field office will be reviewed annually (by December 31 of each year). The questions listed on Form RD 1951-44, "Annual Review of District/County Collection Activities Concentration Banking System," will be addressed. District Directors or designee are responsible for assuring that the annual reviews are accomplished in each County Office and State Office staff will complete the annual review of each District Office. Form RD 1951-44 will be completed in accordance with the Forms Manual Insert (FMI). (Revised 04-30-96, SPECIAL PN.)

(k) Reporting losses of collections. If a theft occurs, field supervisors will follow the provisions of RD Instruction 2021-A, §2021.35. All losses must be reported to the National Office. Reports will include details concerning the measures taken to protect the missing funds and the circumstances of the loss or theft.

§1951.56 Forms.

(a) Form RD 451-1 "Acknowledgement of Cash Payment," will be used in receipting for cash payments. No other form will be used for this purpose. This form may also be used when a borrower request a receipt for another form of payment.

(b) Form RD 451-2 will be used for any collection other than regularly scheduled borrower loan payments. Form 451-2 will be used for miscellaneous payments and for any other payments when the coupon is not available. Form RD 451-2 will not be used for the Rural Rental Housing (RRH), Rural Cooperative Housing (RCH), and Labor Housing (LH) loan payments.

(c) Form RD 1944-9 will be used to record Miscellaneous Collections for RRH, RCH, RHS, SO and LH loans and regular payments for LH loans without rental assistance which are collected in the County Office. Only one project will be reported per form.

§1951.56 (Con.)

- (d) Form 1951-49 will be used by County Offices to record payments.
- (e) Form RD 1951-48 will be used to record each day's transactions in a manner appropriate for telephonic transmission to the data service facility.
- (f) Form RD 1951-46 will be used to record required information concerning uncollectible items and will be sent to the Finance Office for processing.
- (g) Form RD 1940-10 will be used to cancel all applicable loan and/or grant program check request via the Treasury Limited Account.
- (h) Form RD 1944-53 will be used to cancel all applicable loan check request via the Treasury Limited Account.

## §1951.56 (Con.)

(i) Form RD 370-46, OCR Direct Payments Coupon (2X) will be used to record Rural Housing Loan Payments.

(j) Form RD 370-46A, Expanded Direct Payment System Coupon (2A) will be used to record Farmer Program and Community Program loan payments.

(k) Form RD 1951-55 will be used by District Offices to record required information on all payments processed in the District Office. Part B will be used to record all information necessary to correctly input regular RRH, RCH, RHS, SO and LH payments through field office terminals.

§1951.57 Special endorsements.

(a) Payees. Checks, money orders, and similar items to be remitted as payments on accounts of Farmers Home Administration (FmHA) should be made payable to the FmHA, except that offers in compromise of judgment accounts referred to in RD Instruction 456.1, 1956-B or 1956-C will be made payable to the Treasurer of the United States and transmitted to the State Director for referral to the appropriate United States Attorney through the representative of the Office of General Counsel (OGC). All collection items in any form other than coin and currency will be accepted subject to collection, that is, subject to the items being paid. Any remittance items which currently are not payable, including postdated checks, will not be accepted for payment on indebtedness due FmHA. When such items are received, they will be returned immediately to the remitter.

(b) Restrictive endorsements and notations on collection items. Collection items containing restrictive endorsements or notations which will not permit such items to be processed and applied to accounts in accordance with Rural Development Instructions will be returned to the remitter by the FmHA official receiving such items with a request that such notations be withdrawn. However, items containing restrictive endorsements or notations not affecting the handling thereof, such as "payment in full" when the amount thereof does in fact pay the account in full, as provided herein, will be accepted and processed.

RD Instruction 1951-B  
§1951.57 (Con.)

(c) Restrictive notations on compromise or adjustment items. Payment offered by borrowers in compromise or adjustment of debts in the form of checks bearing restrictive notations such as "Payment in Full" or "Settlement in Full" may be endorsed provided the borrower has signed Form RD 1956-1, "Application for Settlement of Indebtedness." If a borrower submits a check bearing a restrictive notation or submits an accompanying letter containing restrictive statements and has not signed Form RD 1956-1, the check and letter containing the restrictive statements will be sent to the State Office with an explanation of the circumstances and the State Office will determine with the advice of OGC how to handle the check.

(d) Holder or borrower endorsement.

(1) Collection items payable or endorsed to the borrower or to some person or firm other than the Treasurer of the United States should be endorsed by the last holder (usually the borrower) as follows:

Pay to the order of  
  
Farmers Home Administration

\_\_\_\_\_  
(Signature of last holder)

(2) If the last holder is unable to sign his or her name, the collection item will be prepared for endorsement by mark and for the signature and address of a witness as illustrated below. Employees may act as witnesses to signatures by mark when other witnesses are not available.

Pay to the order of  
  
Farmers Home Administration

His or Her

X Mark  
\_\_\_\_\_

\_\_\_\_\_  
(Name of last holder)

WITNESS: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

§1951.57 (d)(2) (Con.)

Note: On checks issued by the Treasurer of the United States, signatures and addresses of two witnesses are required.

(e) Endorsement by FmHA (all proceeds to be remitted).

(1) The Assistant Administrator, Finance Office, District Directors, and County Supervisors who are authorized to deposit collections are hereby authorized to endorse collection items (including joint checks, the entire proceeds of which are to be deposited) made payable in the first instance to, or endorsed to the credit of:

- (i) United States of America
- (ii) United States Department of Agriculture
- (iii) Farmers Home Administration
- (iv) Farm Security Administration
- (v) Emergency Crop and Feed Loan Office
- (vi) Governor of the Farm Credit Administration
- (vii) Regional Agricultural Corporation
- (viii) Treasurer of the United States

This authority may be redelegated to any employee listed in Exhibit B of this subpart (available in any FmHA office).

(2) Collection items (including joint checks) made payable or endorsed to any of the agencies listed in paragraph (e)(1) of this section will be endorsed immediately below the endorsement of the last holder, if any, as set forth in §1951.55 (b) of this subpart. Insert the appropriate payee from those named in paragraph (e)(1) of this section. When payee is FmHA or the Treasurer of the United States, leave blank.

(f) Endorsement by FmHA (joint checks--part proceeds to be remitted or no proceeds to be remitted). District Directors, Assistant District Directors, County Supervisors, Assistant County Supervisors, and Collection and Servicing Officers may endorse, in the manner prescribed in paragraph (h) of this section, for the purposes outlined in paragraphs (f)(1), (2), (3), (4) or (5) of this section, checks representing proceeds from the sale of mortgaged property or property not



now mortgaged to FmHA because the borrower has paid in full the FmHA indebtedness secured by such property, checks representing the assignment of income from real estate security, or insurance checks covering losses, made payable jointly to other persons and any entity listed in this section. District Directors and County Supervisors may redelegate this authority to any employees listed in Exhibit B of this subpart in their offices, provided they have instructed such employees regarding the manner of determining the distribution to be made of joint checks and how to make use of available records for this purpose. When this authority has been redelegated to such employees, joint checks representing proceeds of basic security may be endorsed only in the event the District Director or County Supervisor (or Assistant District Director, District Loan Specialist or Assistant County Supervisor, if they have been redelegated authority to release) have agreed to the use to be made thereof and such agreement has been documented in the borrower's case file. The endorsement by FmHA will appear below the endorsement of the third party payee, if any, and the endorsement of the borrower will appear last on the check. Such checks may be endorsed to permit:

- (1) The Government to obtain the amounts from such checks determined to be due the Government.
- (2) The borrower to obtain the amount from such checks that is to be used for approved purposes in accordance with the provisions of FmHA regulations on releasing security property.
- (3) Third parties to obtain the amounts due such parties as determined by the District Director, Assistant District Director, District Loan Specialist, County Supervisor, Assistant County Supervisor, or Collection and Servicing Officer.
- (4) The borrower to obtain the amount of such checks when the FmHA indebtedness secured by the property involved has been paid in full.
- (5) The borrower to obtain all or a portion of checks representing the assignment of income from real estate security when no depletion of the Government's security is involved.
- (6) The placing of the proceeds of the check in an account pending resolution of a dispute over the proper distribution of the proceeds. The arrangements for such an account will be made at the direction of the Office of General Counsel (OGC).

§1951.57 (Con.)

(g) Endorsement by the State Director. When requests are received in local FmHA offices to endorse joint checks not covered by paragraph (f) of this section, but which are made payable to the same payees specified in this section, and only a portion or none of the item is to be remitted, such checks will be forwarded to the State Office with a complete statement of facts, including the borrower's case folder, the purpose for which such checks are drawn, and the amount claimed by the parties having an interest therein. State Directors will determine the interest of the Government, if any, in such joint checks, and are authorized to place the appropriate endorsement thereon as prescribed in paragraph (h) of this section.

(h) Endorsement of joint checks. Joint checks may be endorsed, under the authority in paragraph (f) and (g) of this section, only by use of one of the following forms of endorsement.

(1) When part of the proceeds of the check is to be remitted to the Government as a payment, the following endorsement form will be used:

"Endorsed to (Insert name of bank) for issuance of a cashier's check to the order of the Farmers Home Administration in the amount of \$ (\_\_\_\_\_)

(Insert here appropriate payee from those named in paragraph (f) of this section.)

BY \_\_\_\_\_

TITLE \_\_\_\_\_"

(2) Checks payable jointly, as described in paragraph (f) of this section, which are received from or on behalf of common borrowers of the Federal Land Bank and the FmHA, may be endorsed in the manner prescribed below, provided the borrower has consented to the diversion of the proceeds.

"Endorsed to (Insert name of bank) with recourse only as to amounts paid to Farmers Home Administration for:

Issuance of a cashier's check to the order of the Farmers Home Administration in the amount of \$ (\_\_\_\_\_), and issuance of a cashier's check to the order of the Federal Land Bank of (Insert name) in the amount of \$ (Insert amount).

(Insert appropriate payee from those named in paragraph (f) of this section.)

BY \_\_\_\_\_

TITLE \_\_\_\_\_ "

(3) When no part of the proceeds of a joint check is to be remitted to FmHA, the following endorsement form will be used:

"Endorsed without recourse:

(Insert appropriate payee from those named in paragraph (f) of this section.)

BY \_\_\_\_\_

TITLE \_\_\_\_\_ "

(4) When joint checks are received for deposit in a supervised bank account under the provision of Subpart A of Part 1902, the following endorsement will be used:

"Endorsed without recourse to (Insert name of bank) for the deposit of \$ (                                ) pursuant to deposit agreement dated (                                ).

(Insert appropriate payee from those named in paragraph (f) of this section.)

BY \_\_\_\_\_

TITLE \_\_\_\_\_ "

(5) When joint checks are received that will be used to pay another lender under a Subordination Agreement, the following endorsement may be used:

"Endorsed without recourse to (Insert name of lender) only for payment on Subordination dated (Insert date) which funds were advanced for (Purpose of loan) .

(Insert appropriate payee from those named in paragraph (f) of this section.)

§1951.57 (h)(5) (Con.)

BY \_\_\_\_\_

TITLE \_\_\_\_\_"

(i) Cost of cashier's checks. The borrower will pay the cost of cashier's checks in the instances prescribed.

(j) Uncollectible joint checks. When field supervisors receive notice that joint checks endorsed in the manner and under the circumstances specified in Paragraph (h) (1) and (2) of this section are uncollectible, they will furnish the Finance Office with a full report concerning such transactions and request information regarding proper handling. The report will include the name and address of the bank involved, the amount of the check, the amount remitted to FmHA as a payment, the name and case number of the borrower concerned, and the serial number(s) of the receipt(s) issued in connection therewith.

§1951.58 Preparation and distribution of Forms FmHA 451-1, FmHA 451-2, FmHA 1944-9, and FmHA 1951-55.

(a) General. Borrowers making payment in currency will be given a receipt using Form RD 451-1. Receipts are not required for payment made by check or money order, but will be given when specifically requested by the borrower or person making payment in the borrower's behalf. In making such receipts for non-cash payment delete the word "Cash" on Form RD 451-1 and place on the form information identifying the money order or the check and its maker.

(b) Form RD 451-1.

(1) Acknowledgment of Cash Payment books beginning with the lowest serial number will be used first. The receipts in the book must be used in consecutive order.

(2) The acknowledgment will be prepared in accordance with the FMI for Form RD 451-1 and issued at the time the cash is received by FmHA.

(c) Form RD 451-2. Final payments, other than regular scheduled; extra payments; refund payments; miscellaneous collections; and payments where coupons are not available, will be listed on a Form RD 451-2 prepared by the local FmHA office.

(1) The Schedule of Remittances will be prepared in accordance with the FMI for Form RD 451-2.

(2) Schedules will be prepared carefully and legibly. A typewriter should be used whenever possible; otherwise an indelible pencil or pen will be used. Whenever an indelible pencil or pen is used, printing is preferable.

(3) When bulk collections are received, such as a collection from a crop buyer or other interested party, in the form of a check for amounts due from two or more borrowers, Form RD 451-2 will reflect the name of each respective borrower for the amount collected for the account. Under no circumstances will Form RD 451-1 be issued in the name of the crop buyer or other interested party.

(4) When it is necessary to use two or more schedule pages to complete a normal collection's schedule for the day's business, the schedules will be numbered at the top; for example, 1 of 3, 2 of 3, and so forth. In such cases, summary information for all schedules will be reported on the lower portion of the last schedule.

(5) When the schedule is marked for Miscellaneous Collections, this will indicate that all payments on the schedule are not to be applied to computer based accounts immediately without restrictions. Each type of Miscellaneous Collection will be on a completely separate schedule.

(6) For Operating (OL) and Emergency (EM) loans made prior to January 1, 1972, that portion of extra payments and refunds applicable to principal will be applied by the Finance Office to the final unpaid installment(s) on the note involved or will be prorated for more than one installment. If the amount is to be applied to the final unpaid installment(s), it will not be necessary to show the installment date. If the amount of the collection is to be prorated to unmatured principal installments, the dates of the installment(s) will be shown in the "Loan Coding" columns corresponding with the amount to be applied to that installment. The following illustrates the coding for extra payments or loan refunds.

§1951.58 (c)(6) (Con.)

LOAN CODE	AMOUNT	LOAN CODING
01-01	75.00a/	
01-01	150.00	1 0 9 5
01-01	150.00	1 0 9 6
01-01	150.00	1 0 9 7

a/Unpaid Billed Interest

(7) Each line item on the schedule must include the full name, case number, and loan code. For rent payments, the name and case number of the borrower will be used if the borrower has title to the property; the name and case number of the lessee will be used if the Government has acquired title to the property.

(d) Form RD 1944-9. For miscellaneous collections for RRH, RCH, LH, RHS, and SO loans, and regular payments for LH loans without rental assistance that are collected in the County Office, receipts for the day will be prepared in accordance with the FMI. Schedules must be prepared carefully. They may be legibly written with black ball point pen or typed. All copies must be easily readable. Only one project may be shown on each form.

(e) Form RD 1951-55. For regular payments, extra payments, refunds, voluntary additional principal payments, loan specific payments on cost items and final payments on RRH, RCH, RHS, SO and LH loans made in the District Office, all relevant data will be legibly recorded on Form FmHA 1951-55, Part B. The payments will be processed through field office terminals.

(f) Collections received in the State Office. The preparation and distribution procedure outlined in paragraphs (a), (b), (c), (d), and (e) of this section will be followed based on information available in the State Office .

(g) Schedules prepared in connection with liquidations. Schedules will be prepared only for the amount actually received for deposit through CBS. The amount should not include sale costs or amounts distributed to other lienholders.

(h) Schedules prepared in connection with debt settlement offers. Schedules will not be prepared for payments made in connection with offers on judgment accounts, the compromise of which is set forth in

RD Instruction 1951-B  
§1951.58 (h) (Con.)

RD Instruction 456.1 or RD Instruction 1956-C. In non-judgment cases, however, payments will be scheduled in the usual manner, except:

- (1) Application of principal and interest will not be shown, and
  - (2) Schedules covering payments made in compromise offers or made either simultaneously with the adjustment offer or before receipt of notice of approval, will have indicated thereon "Compromise Offer-FmHA," or "Adjustment Offer-FmHA," as appropriate, instead of the usual loan identification, and
  - (3) Schedules covering subsequent payments by borrowers under approved adjustment will have indicated thereon "Payment under FmHA adjustment approved \_\_\_\_\_."
- (i) Loan checks returned for cancellation. Forms FmHA 451-2, FmHA 1944-9 or FmHA 1951-55 Part B, will NOT be used to acknowledge the receipt of loan checks that are returned for cancellation. Such checks will be canceled in accordance with the applicable loan processing instructions. District Offices will record FmHA 1940-10 or FmHA 1944-53 in Part A of Form RD 1951-55. For OL, EM, and Special Livestock (SL) loans, a signed copy of the letter requesting cancellation will be furnished the borrower as an acknowledgment, if requested, and the note evidencing such loan will be stamped "Canceled" and returned to the District or County FmHA office.
- (j) Schedule of Remittance for rental payments on acquired farms. Rental payments on farms which have been acquired by the Government will be prepared and scheduled on Form RD 451-2.
- (k) Partial or entire return of unused grant funds. If a check issued by FmHA for grant funds has been deposited and ALL OR ANY PORTION of the grant funds have not been used when the project is completed, the unused funds will be refunded to the account from which they were disbursed. Form RD 451-2 will be used to transmit such funds for all programs but Labor Housing. The Miscellaneous Collections schedules will be completed and the notations "RETURN OF UNUSED Grant FUNDS" and "Treasury Check dated \_\_\_\_\_" will be shown. FmHA portion of the proceeds derived from the sale or transfer of land under the Section 601 Energy Impact Assistance Program will be transmitted to the Finance Office on separate Form RD 451-2 as miscellaneous collections. The Miscellaneous Collections schedules will be completed with the notation "Proceeds derived from sale of Section 601 land." Return of funds will be transmitted as prescribed in §1951.60 of this subpart. Unused Labor

## §1951.58 (k) (Con.)

Housing grant funds will be returned using Form RD 1944-53. Funds will be deposited through Concentration Banking or Lock Box procedures. Form RD 1944-53 will be recorded in Part A of Form RD 1951-55.

(1) Payments on closed accounts.

(1) Other than Multiple Family Housing Loans. When a collection is received on an account that has been charged off or canceled, a payment will be transmitted or deposited on Form RD 451-2, giving the borrower's name, case number if available, type of debt settlement action, and date if known. The remittance will be shown as Miscellaneous Collections on Form RD 451-2.

(2) Multiple Family Housing loans. Collections received on an account that has been charged off or canceled will be transmitted as a regular payment through the field office terminal. Send a copy of the amended write-off or cancelation document and a cover letter directly to the Multiple Family Housing Unit in the Finance Office in a regular white envelope. Send a copy of the cover letter to the State Director.

(m) Guaranteed loans. Collections received from guaranteed loan fees, guaranteed loans purchased from holders, guaranteed loan loss revenues, reverse of a report of estimated loss or final loss, or other guaranteed loan remittances will be put on Form RD 451-2.

§1951.59 Refunding collection items.

When a check is made payable solely to the Farmers Home Administration, or the United States of America, or a check is made payable (either solely or jointly with OTHERS) to the Treasurer of the United States or the United States Treasurer, and the amount of such check is greater than that to which the FmHA is entitled, and it is not possible to obtain separate checks, the check will be handled as follows:

(a) Check endorsement. The check will be endorsed as prescribed in §1951.57 of this subpart and the full amount thereof will be included in the collections deposited.



(b) Refunding. A written request will be obtained from the individual to whom the refund is to be made, except that a written request will not be required when the refund is to be made to a borrower whose FmHA indebtedness has been paid in full, or is being paid in full from the proceeds of the check in connection with which the refund is involved. The request must contain a description of the check from which the refund is requested, including the date, the amount, the payee or payees, the drawer, and the name of the bank on which it is drawn. The request must set for specifically the amount requested as well as a factual statement supporting the basis for payment. The request must be signed by the individual to whom the refund is to be made and must bear approval of the District Director or County Supervisor indicating that the refund should be made as requested. Refund checks to borrowers or payees other than borrowers will be mailed to the respective payee in care of the District Director or County Supervisor.

(1) Programs other than Multiple Family Housing. Form RD 451-2 will be made for the full amount of the check and will contain a notation of the request for refund and the amount thereof. Such schedules may be signed only by employees authorized in §1951.57 (g) of this subpart to endorse joint checks. One copy of the borrower's request for refund will be filed with the County or District Office copy of Form RD 451-2. The Finance Office will prepare and process a refund voucher based upon the request and information contained on Form RD 451-2 submitted.

(2) Multiple Family Housing loans. The total amount of the check will be processed as a regular payment through field office terminals. Forms FmHA 1951-55 must be signed by an employee authorized in §1951.57 (g) of this subpart to endorse joint checks. If the check is for a fully paid project or the project loans will be paid in full by the check, the District Office should call the Multiple Family Housing Unit (MFHU) in the Finance Office, after the payment updates, and alert them that a refund is required. If the check will not pay the project in full, a copy of the borrower's written request for refund must be forwarded to the MFHU, requesting the refund.

§1951.60 Transmittal and deposit of collections for offices not using CBS.

(a) Participation in the wholesale lockbox system. The wholesale lockbox system is for those field offices which are unable to obtain a local financial institution and participate in CBS. The field office will coordinate with their State Office CBS Coordinator when participation in CBS is being terminated or the field office cannot obtain a financial institution for CBS. The State CBS Coordinator will advise the Finance Office (FO), Cash Management Staff (CMS) when a field office must participate in the wholesale lockbox system. The field office will submit the collections package to the wholesale lockbox who will deposit the collections and forward the related accounting data to the FO for processing.

(b) Converting cash collections. All cash collections for the day will be exchanged for bank drafts, bank cashier's checks, or postal money orders. The Collection Officer should attempt to get a FDIC bank to issue a bank draft, cashier's check or bank money order without charge. If the bank does charge a fee, the Collection Officer should get a receipt for the fee paid out of the cash collections. In determining the method to be used, the cost for fees and the distance to the bank or Post Office should be considered. The method selected should be the one that will result in the greatest advantage to the Government in lowest cost for fees and convenience for the Collection Officer. See Exhibit A of this subpart (available in any FmHA office.) for postal money order fees. The bank drafts, cashier's check, and bank or postal money orders should be made payable to the Farmers Home Administration and transmitted. The Collection Officer will not endorse these collection items.

(c) Balancing of collection package.

(1) The accounting documents must be balanced to the funds collected prior to transmitting the collections package to the wholesale lockbox. To balance the collection package, separate the RH (Form RD 370-46, OCR Direct Payment Coupon) coupons/checks from all of the remaining accounting documents/checks. All accounting documents/checks except the RH coupons checks are referred to as "OTHER." The RH coupons/checks must be submitted separately from the Other accounting documents since a separate depositing/processing operation is used for the RH coupons/checks. RH payments submitted on schedule of remittance are considered OTHER because there is no coupon. The only time an RH coupon payment is grouped with the OTHER documents is when it shares a check with an OTHER accounting document.

RD Instruction 1951-B  
§1951.60 (c) (Con.)

(2) Balancing of collection package requires completion of the Field Office Remittance Reconciliation Report (FORRR), Form FmHA 1951-60. Instructions for completing the report are found in the FMI for that form.

(d) Assembly of the collection package.

(1) RH check/coupons. All RH coupons and the related checks are to be placed in a white 4 X 9 envelope (Stock No. 202). The checks should be interspersed with the associated coupons (i.e., coupon(s)/related check(s), etc.) Do not staple or use paper clips. Mark the envelope "RH" across the front. RH coupons which share a check with another type of accounting document (i.e., 2A coupons or schedules) must be put with the OTHER accounting documents.

(2) Remaining checks/remaining documents. All remaining checks are paper clipped to the front of the associated accounting documents. Multiple Family Housing collections for regular payments will be attached to a copy of the AMAS Batch Entry System Menu for the call date. Place this grouping in a white 6 X 9 envelope (Stock No. 201), mark it "OTHER", seal it, and place it along with the RH envelope and the completed FORRR, in a white 9 1/2 X 12 first class envelope (Stock no. 210). Mark the white first class envelope in the lower left corner with the FmHA office code.

(e) Mailing the collection package. After it is assembled, the collection package will be mailed to the following address:

U. S. Department of Agriculture  
Farmers Home Administration  
P.O. Box 85084  
Dallas, TX 75285-5084

(1) Packets prepared in the District Office should be held until the next business day to assure that the block balanced. If the block does not balance, contact the Finance Office or the AMAS Coordinator in the State Office for assistance in correcting the payments so the block will balance. Insert a corrected AMAS Batch Entry System Menu if the block totals have been changed. Mail the placket. DO NOT HOLD THE PAYMENT PACKET MORE THAN ONE WORK DAY. If the block still does not balance the next day, contact the Finance Office for assistance but do not mail another AMAS Batch Entry System Menu.

(2) All County Office packets should be forwarded daily. There should normally be only one FORR per transmittal date. If collections with different dates of credit are submitted in the same collection package, they should be submitted on one FORRR which shows the actual transmittal date.

## §1951.60 (Con.)

(f) Uncollectible items. The wholesale lockbox will forward any uncollectible items to the FO. The FO will forward the uncollectible item to the appropriate District or County Office by transmittal memorandum. District Offices may review changes through field office terminals and inquiry screens in the Automated Mult-Housing Accounting System (AMAS). Collection of the item should be made immediately, if possible, and transmitted in accordance with this section. If an administrative cost has been charged to the borrower's account, the new payment amount should be for the regular payment amount plus the administrative cost. If immediate collection is not possible, and the uncollectible item represents proceeds from the sale of mortgaged property or acquired security property, the District Director or County Supervisor will submit a complete report to the State Office with recommendations regarding recovery of the property or other appropriate actions. Uncollectible items will be held by the District Director or County Supervisor until fully redeemed.

§1951.61 Accounting for collection forms.

The Finance Office will prepare a monthly list of missing schedules based on sequential numbering. If all the schedules for the month are received by the Finance Office with consecutive numbers, no report will be made to the local FmHA office. All schedules reported to local FmHA offices as "NOT RECEIVED BY THE FINANCE OFFICE" will be reviewed. A photostat of the local FmHA office copy of the schedule, if available, and a memorandum explaining the circumstances will be sent to the Finance Office.

§1951.62 Processing uncollectible items for CBS.

The local FmHA office verifies the accuracy of the information shown on the debit vouchers for all uncollectible items received from the FI. For each uncollectible item, the local FmHA office prepares Form RD 1951-46. This form is used by the Finance Office to reverse the posting of the payment to the borrower's account. A copy of the debit voucher and the completed Uncollectible Item Memorandum are sent to the Finance Office with the accounting data for the day's deposit. Do not send the uncollectible checks to the Finance Office. Prompt action must be taken to service the borrower's account and obtain good funds from the borrower. The replacement item must be deposited in the FI with other payment items received that day, and scheduled on Forms FmHA 451-2, FmHA 1944-9, FmHA 1951-55 or payment coupons, as appropriate. There will also be a noninterest accruing administrative cost charged to the borrower's account for uncollectible items due to insufficient funds. Therefore, the borrower's payment for the uncollectible item should be for the regular payment amount plus the administrative cost.

A separate AMAS Batch Entry System Menu will be prepared for each original call date for which a concentration banking uncollectible item is enclosed. Attach this menu to the corresponding uncollectible item Memorandum.

§1951.63 Refunding payments received under Agricultural Conservation Program Service (ACP payments) offsets.

Borrowers against whom offsets have been requested are entitled to a refund of any amount paid FmHA under such offsets in excess of the unpaid indebtedness covered thereby. When a borrower's offset check is received in the local FmHA office and the Government is entitled to only part or none of such check, the following will govern:

(a) When FmHA is entitled to only part of the offset check, the County Supervisor will issue Form RD 451-2 in the full amount of the check received. The County Supervisor will insert a "9" in the Miscellaneous Collections block of the schedule and the following statement will be typed or printed on the form: "Refund balance of \$ (Enter amount) direct to the borrower. Indebtedness covered by offset paid in full." The County Supervisor is responsible for determining FmHA's share of the proceeds of such checks and must sign Form RD 451-2. Such remittances will be handled in accordance with the applicable provisions of this Subpart. The Finance Office will prepare and process a refund to the borrower in care of the County Supervisor.

(b) When FmHA is entitled to none of the offset check, the check will be handled with the day's collection in accordance with the provisions of this subpart, subject to the following:

(1) The amount of each offset check will be listed separately on Form RD 451-2 covering collections for the day.

(2) In column "Name of Borrower" of Form RD 451-2 enter "(State name) ASCS Office," to indicate the Agricultural Stabilization and Conservation Service (ASCS) State Office and, on the line directly below, enter "For ACP payment offset" and the name and case number of the borrower and amount of the check for which the refund is requested.

§1951.63 (b) (Con.)

(3) The following will be typed immediately after the entry described in paragraph (b)(2) of this section: "For refund directly to the borrowers named above in the amounts indicated. Indebtedness covered by offsets paid in full."

(4) Form RD 451-2 containing requests for the refund of the entire proceeds of offset checks will be signed by the County Supervisor.

(c) When an offset check is received in a County Office and the County Supervisor determines that it is not applicable to the account of any borrower within the Office's jurisdiction, the check will be sent to the FmHA State Office with a memorandum containing all available information. When the State Office receives an unidentified offset check from a County Office, the State Office will try to identify the account to be credited. If the account cannot be identified, the check and a letter explaining the circumstances will be sent to the ASCS State Office.

§1951.64 Forms FmHA 451-2 or FmHA 1944-9 errors.

Such errors will be corrected on an individual case basis by the Finance Office corresponding directly with the local FmHA office. When the total collections are not in agreement with the total remittances and the discrepancy cannot be resolved by the Finance Office, a replacement schedule will be prepared. Each replacement schedule must bear the legend "Issued to replace schedule numbered (enter schedule number) dated (enter date of credit)."

§1951.65 AMAS on-line payment errors.

Errors in payments input by the District Office through field office terminals will go to an AMAS Pending file. Each day the District Office should review pending transactions and make necessary corrections. Discrepancies which prevent balancing of a payment block must be corrected within five work days from the Call Date of the block.

§§1951.66 - 1951.100 [Reserved]

Attachments: Exhibits A, B, C, and D

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POSTAL MONEY ORDERS

I PURCHASE OF POSTAL MONEY ORDERS:

A There are certain cases involving amounts of \$51.55 or less in which it is necessary to purchase two money orders, in order that money order fees and the amount of money orders purchased will equal the cash collections. Therefore, when the cash collected during the day is \$51.55 or less and totals any of the amounts in the first column below, two postal money orders should be purchased in the amounts indicated as follows: (Revised 9-27-89, PN 119)

<u>Amount collected</u>	<u>Amount 1st M. O.</u>	<u>Fee for 1st M. O.</u>	<u>Amount 2nd M. O.</u>	<u>Fee for 2nd M. O.</u>	<u>Total of M. O.'s submitted</u>
\$25.76	\$20.00	\$.75	\$4.26	\$.75	\$24.26
25.77	20.00	.75	4.27	.75	24.27
25.78	20.00	.75	4.28	.75	24.28
25.79	20.00	.75	4.29	.75	24.29
25.80	20.00	.75	4.30	.75	24.30
25.81	20.00	.75	4.31	.75	24.31
25.82	20.00	.75	4.32	.75	24.32
25.83	20.00	.75	4.33	.75	24.33
25.84	20.00	.75	4.34	.75	24.34
25.85	20.00	.75	4.35	.75	24.35
25.86	20.00	.75	4.36	.75	24.36
25.87	20.00	.75	4.37	.75	24.37
25.88	20.00	.75	4.38	.75	24.38
25.89	20.00	.75	4.39	.75	24.39
25.90	20.00	.75	4.40	.75	24.40
25.91	20.00	.75	4.41	.75	24.41
25.92	20.00	.75	4.42	.75	24.42
25.93	20.00	.75	4.43	.75	24.43
25.94	20.00	.75	4.44	.75	24.44
25.95	20.00	.75	4.45	.75	24.45
25.96	20.00	.75	4.46	.75	24.46
25.97	20.00	.75	4.47	.75	24.47
25.98	20.00	.75	4.48	.75	24.48
25.99	20.00	.75	4.49	.75	24.49
26.00	20.00	.75	4.50	.75	24.50
26.01	20.00	.75	4.51	.75	24.51
26.02	20.00	.75	4.52	.75	24.52
26.03	20.00	.75	4.53	.75	24.53
26.04	20.00	.75	4.54	.75	24.54
26.05	20.00	.75	4.55	.75	24.55
26.06	20.00	.75	4.56	.75	24.56
26.07	20.00	.75	4.57	.75	24.57
26.08	20.00	.75	4.58	.75	24.58
26.09	20.00	.75	4.59	.75	24.59

26.10	20.00	.75	4.60	.75	24.60
(7-12-88) PN 89					



RD Instruction 1951-B  
Exhibit A  
Page 2  
(Revision 1)

<u>Amount collected</u>	<u>Amount 1st M. O.</u>	<u>Fee for 1st M. O.</u>	<u>Amount 2nd M. O.</u>	<u>Fee for 2nd M. O.</u>	<u>Total of M. O.'s submitted</u>
51.11	45.00	1.00	4.26	.75	49.26
51.12	45.00	1.00	4.27	.75	49.27
51.13	45.00	1.00	4.28	.75	49.28
51.14	45.00	1.00	4.29	.75	49.29
51.15	45.00	1.00	4.30	.75	49.30
51.16	45.00	1.00	4.31	.75	49.31
51.17	45.00	1.00	4.32	.75	49.32
51.18	45.00	1.00	4.33	.75	49.33
51.19	45.00	1.00	4.34	.75	49.34
51.20	45.00	1.00	4.35	.75	49.35
51.21	45.00	1.00	4.36	.75	49.36
51.22	45.00	1.00	4.37	.75	49.37
51.23	45.00	1.00	4.38	.75	49.38
51.24	45.00	1.00	4.39	.75	49.39
51.25	45.00	1.00	4.40	.75	49.40
51.26	45.00	1.00	4.41	.75	49.41
51.27	45.00	1.00	4.42	.75	49.42
51.28	45.00	1.00	4.43	.75	49.43
51.29	45.00	1.00	4.44	.75	49.44
51.30	45.00	1.00	4.45	.75	49.45
51.31	45.00	1.00	4.46	.75	49.46
51.32	45.00	1.00	4.47	.75	49.47
51.33	45.00	1.00	4.48	.75	49.48
51.34	45.00	1.00	4.49	.75	49.49
51.35	45.00	1.00	4.50	.75	49.50
51.36	45.00	1.00	4.51	.75	49.51
51.37	45.00	1.00	4.52	.75	49.52
51.38	45.00	1.00	4.53	.75	49.53
51.39	45.00	1.00	4.54	.75	49.54
51.40	45.00	1.00	4.55	.75	49.55
51.41	45.00	1.00	4.56	.75	49.56
51.42	45.00	1.00	4.57	.75	49.57
51.43	45.00	1.00	4.58	.75	49.58
51.44	45.00	1.00	4.59	.75	49.59
51.45	45.00	1.00	4.60	.75	49.60
51.46	45.00	1.00	4.61	.75	49.61
51.47	45.00	1.00	4.62	.75	49.62
51.48	45.00	1.00	4.63	.75	49.63
51.49	45.00	1.00	4.64	.75	49.64
51.50	45.00	1.00	4.65	.75	49.65

<u>Amount collected</u>	<u>Amount 1st M. O.</u>	<u>Fee for 1st M. O.</u>	<u>Amount 2nd M. O.</u>	<u>Fee for 2nd M. O.</u>	<u>Total of M. O.'s submitted</u>
51.51	45.00	1.00	4.66	.75	49.66
51.52	45.00	1.00	4.67	.75	49.67
51.53	45.00	1.00	4.68	.75	49.68
51.54	45.00	1.00	4.69	.75	49.69
51.55	45.00	1.00	4.70	.75	49.70

B When the amount collected is \$51.55 or less but does not total any of the amounts in the first column above, it will be necessary to purchase only one money order to make the amount of the money order purchased plus the money order fee, equal to the amount collected.

II FEE CHARGED FOR DOMESTIC MONEY ORDERS

For orders from	Fee:
\$ .01 to \$ 25.00	\$ .75
\$25.01 to \$700.00	\$1.00

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COLLECTION OFFICERS

- A DISTRICT DIRECTOR
- B ASSISTANT DISTRICT DIRECTOR, DISTRICT LOAN SPECIALIST
- C DISTRICT OFFICE CLERK
- D COUNTY SUPERVISOR
- E ASSISTANT COUNTY SUPERVISOR
- F COUNTY OFFICE ASSISTANT, COUNTY PROGRAM TECHNICIAN
- G COUNTY OFFICE CLERK, COUNTY PROGRAM ASSISTANT
- H EMERGENCY LOAN SUPERVISOR
- I COUNTY OFFICE ASSISTANT FOR EMERGENCY LOANS
- J COUNTY OFFICE CLERK FOR EMERGENCY LOANS
- K EMERGENCY LOAN ASSISTANT
- L EMERGENCY LOAN CLERK
- M SECRETARY, STATE DIRECTOR
- N SUPERVISOR, COLLECTIONS STAFF
- O ACCOUNTING TECHNICIAN COLLECTIONS STAFF
- P OFFICE MANAGEMENT ASSISTANT, PROGRAM REVIEW ASSISTANT
- Q STUDENT TRAINEE
- R SECRETARY, AAFP, AAH, AAC & BP (NATIONAL OFFICE)
- S MISCELLANEOUS DOCUMENTS EXAMINER (PUERTO RICO)
- T CLERK TYPIST
- U STATE LOAN CLERK
- V STATE, DISTRICT, OR COUNTY LOAN TECHNICIAN
- W PROPERTY MANAGEMENT SPECIALIST
- X STATE OFFICE PROGRAM CHIEFS AND SPECIALISTS

NATIONAL DATA CORPORATION SCRIPT

FOR "CANCELLING" OR "CHANGING" AN INFORMATION REPORT

Call before 4:30 p.m. EST on the same day of the original call  
Telephone # 800-554-2020 ----- NDC will answer "National Data"

"CANCELLING"

- 1) "I WOULD LIKE TO CANCEL MY INFORMATION REPORT."
- 2) "MY IDENTIFICATION NUMBER IS \_\_\_\_\_."
- 3) "REPORT 01 IS \_\_\_\_\_ DOLLARS \_\_\_\_\_ CENTS 'SLASH' \_\_\_\_\_ 'SLASH' \_\_\_\_\_."  
(Amount Deposited-11a) (#Checks-11c) (#Adjustments-11d)
- 4) "REPORT 02 IS \_\_\_\_\_ DOLLARS \_\_\_\_\_ CENTS 'SLASH' \_\_\_\_\_."  
(Debit Amount-11b) (# Uncollectible items)
- 5) "P-FIELD IS POSITIVE/NEGATIVE \_\_\_\_\_ DOLLARS \_\_\_\_\_ CENTS."  
(Net Activity)

"CHANGING"

- 1) "I HAVE A CHANGE TO MAKE TO MY INFORMATION REPORT."
- 2) "MY IDENTIFICATION NUMBER IS \_\_\_\_\_."
- 3) "REPORT 01 SHOULD BE \_\_\_\_\_ DOLLARS \_\_\_\_\_ CENTS 'SLASH' \_\_\_\_\_ 'SLASH' \_\_\_\_\_."  
(Amount deposited-11a)(# Checks-11c)(# Adjustments-11d)
- 4) "REPORT 02 SHOULD BE \_\_\_\_\_ DOLLARS CENTS 'SLASH' \_\_\_\_\_."  
(Debit Amount-11b) (# Uncollectible Items -11e)
- 5) "P-FIELD SHOULD BE POSITIVE/NEGATIVE \_\_\_\_\_ DOLLARS \_\_\_\_\_ CENTS."  
(Net Activity)

The NDC Operator will:

- A. Read back each amount for your approval.
- B. Provide a four-digit verification code.

Please record the four-digit number in Part IV, Item 6 of DAR as proof of your call.

FINANCE OFFICE USE ONLY

Call date changed \_\_\_\_\_  
Date call made to change report \_\_\_\_\_  
Time call made to change report \_\_\_\_\_

NATIONAL DATA CORPORATION CALL REPORT  
FOR USDA FARMERS HOME ADMINISTRATION

Callers Name : \_\_\_\_\_ Date: \_\_\_\_\_

Callers Address : \_\_\_\_\_

City : \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Callers Telephone Number : \_\_ (\_\_\_\_) \_\_\_\_\_

Callers NDC ID Number : \_\_\_\_\_

NDC Telephone Number Dialed : \_\_ (\_\_\_\_) \_\_\_\_\_

Date of Call : \_\_\_\_\_ Time of Call : \_\_\_\_\_

Description of Incident: \_\_\_\_\_

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Please answer the following questions if the nature of your problem is continuous busy signals:

1. The busy signal I received was:

A. A rapid beeping signal

B. A slow steady beeping signal

2. I allowed the phone to ring \_\_\_\_\_ times before hanging up.

3. I received a recorded message that stated:

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